REPORT BY THE U.S.

General Accounting Office

Information On Delinquent Borrowers In Farmers Home Administration Major Farmer Loan Programs

Farmers Home Administration is the federal government's lead agency for helping rural Americans improve their farming enterprises.

--As of June 30, 1984, there were 267,252 active FmHA borrowers with one or more of the major farmer program loans. Of these borrowers, 94,035 or about 35 percent were delinquent.

--These 94,035 borrowers were about $5.4 billion delinquent on scheduled payments (principal and interest) for loans representing over $14 billion in unpaid outstanding principal.

--Of these delinquent borrowers, 16,093 or 17 percent were delinquent on at least one FmHA farm loan for over 4 years. These over 4 year delinquent borrowers have a net delinquent amount of over $2 billion in payments for loans representing over $3 billion in unpaid outstanding principal.

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GAO/RCED-85-71
FEBRUARY 6, 1985

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

February 6, 1985

RESOURCES, COMMUNITY
AND ECONOMIC DEVELOPMENT
DIVISION

B-217648

The Honorable Edward Zorinsky
Ranking Minority Member
Committee on Agriculture,
Nutrition, and Forestry
United States Senate

Dear Senator Zorinsky:

Subject: Information on Delinquent Borrowers in Farmers Home Administration Major Farmer Loan Programs (GAO/RCED-85-71)

On November 1, 1984, your staff asked whether we had developed any information on delinquent Farmers Home Administration (FmHA) borrowers as part of our ongoing review of FmHA's management of farm property. Specifically, your staff was interested in the number of and length of time borrowers were delinquent in FmHA's five major farmer loan programs: farm ownership, operating, economic emergency, emergency disaster, and soil and water.

On November 20, 1984, we provided your staff with an oral briefing on the information we had developed on delinquent FmHA borrowers. At that time your staff stated that the information presented was very useful and requested that we provide you with a brief written explanation of the methodology used to obtain the information and any documentation, such as data tabulations, that showed the results of our work. The following information summarizes the data we tabulated on FmHA delinquent borrowers.

--As of June 30, 1984, there were 267,252 active FmHA borrowers with one or more of the major farmer program loans. Of these active borrowers, 94,035 or about 35 percent were delinquent.

--These 94,035 borrowers were about $5.4 billion delinquent on scheduled payments (principal and interest) for loans representing over $14 billion in unpaid outstanding principal.

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--Of these delinquent borrowers, 16,093 or 17 percent, were delinquent on at least one FmHA farm loan for over 4 years. These over 4 year delinquent borrowers have a net delinquent amount of over $2 billion in payments for loans representing over $3 billion in unpaid outstanding principal.

We are providing you with three enclosures which provide details on this information. The first enclosure provides data on the status of delinquent borrowers for the five farmer loan programs as of June 30, 1984. The information was obtained by analyzing FmHA's computerized Master Borrower File. This file is used by FmHA to generate FmHA Report 616 on the status of active delinquent borrowers in all FmHA loan programs. Because of variances in FmHA and our programming and format methodology, there are some minor number differences (as explained in the enclosure) between our data and FmHA loan and borrower data.

The second enclosure presents historical FmHA data on delinquent borrowers for the five farmer loan programs over a 10 year period, 1975 through 1984. This data was obtained directly from FmHA Report 616. The third enclosure presents data on the number of FmHA borrowers with farm ownership loans that were delinquent over 4 years and the number of FmHA borrowers with farm ownership loans whose farm property was acquired by FmHA during the period 1975 through 1983. Data on delinquent borrowers was obtained from FmHA Report 616 and data on borrowers whose farm properties were acquired by FmHA was obtained from FmHA Report 592. However, no valid, direct correlation or trend analysis can be made between the length of time a borrower is delinquent and FmHA's acquisition of the property as explained in the enclosure.

Each enclosure contains a brief explanation of the table or graph presented, the methodology used to develop the information, and an explanation of any data limitations.

Although we did not test the validity of the FmHA data used in our tabulations, we did provide copies of our work to appropriate FmHA officials and they concurred that it was valid and accurate.

If you have any additional questions or if we can be of any further assistance on this issue, please feel free to contact Jim Wells of my staff on 475-4880.

Sincerely yours,

Kevin D. Boland for

J. Dexter Peach
Director

Enclosures

ENCLOSURE I

STATUS OF FmHA DELINQUENT BORROWERS

FOR THE FIVE MAJOR FARMER LOAN PROGRAMS

The following five tables provide data on FmHA borrowers and loans for the five major FmHA farmer loan programs: farm ownership, operating, economic emergency, emergency disaster, and soil and water. These loan programs represent over 98 percent of FmHA's total active farmer loan borrowers as well as 98 percent of the total unpaid outstanding principal of all active farm program loans. These loan programs also contain about 99 percent of FmHA's active farmer borrowers that are delinquent on their loan payments. The tables are organized by borrowers (tables 1 through 3) and by loans (tables 4 and 5).

Information for the tables was obtained from FmHA's computerized Master Borrower File data tapes. These tapes were used by FmHA to prepare the agency's June 30, 1984, report on delinquent borrowers, FmHA Report 616. Because of variances in GAO and FmHA programming and format methodology, minor differences exist between GAO and FmHA data on the number of delinquent borrowers and delinquent dollar amounts. For example, the net delinquent dollar amount tabulated by GAO in table 5 is $5,406.4 million and the figure provided by the FmHA Report 616 in table 6 is $5,389.5 million, a difference of three-tenths of 1 percent. FmHA officials were unable to provide specific reasons for the variance in GAO and FmHA programming, but believed that the resulting differences in data tabulations are not significant when the data is viewed in the aggregate as presented in the tables.

Of the 267,252 active borrowers identified in FmHA's Master Borrower File to have one or more of the selected farmer program loans, 94,035 borrowers or about 35 percent were delinquent. Of these delinquent borrowers, 16,093 or 17 percent were delinquent for over 4 years on at least one of the selected farmer loans. FmHA considers a borrower delinquent if he/she has an unpaid scheduled payment which is not offset by loan payments made ahead of the scheduled payment date and the delinquent amount is greater than $10. A brief explanation of each table is presented below.

Borrower Table 1

This table organizes delinquent borrowers into percentage categories to illustrate the relative significance of the borrowers' delinquency. The percent ranges shown in the first column represent the amount delinquent divided by the unpaid principal. For example, the first data row shows that there are 29,453 delinquent borrowers who have a total delinquent amount which is 0-10 percent of their outstanding principal. Near the bottom of the page, the second to last data row, over 100, shows that 7,283 delinquent borrowers have a delinquent amount, principal and interest, over 100 percent of the outstanding principal.

For each category the total amount delinquent and outstanding principal are tabulated. See page 6.

Borrower Table 2

To illustrate the age of the delinquent amounts owed by borrowers, table 2 categorizes borrowers into five age groups. Borrowers are categorized by their oldest amount delinquent. The table then presents all delinquent amounts for the selected loan types owed by these borrowers and the age of the amounts owed. For example, in the "over 4" column, there are 16,093 borrowers that have at least one loan delinquent over 4 years. The 16,093 borrowers' net amount delinquent is $2,071.0 million. This group has a gross amount of $1,009.2 million delinquent of over 4 years, $434.1 million delinquent 3-4 years, $345.9 million delinquent 2-3 years, and so forth. Because of data limitations, gross amounts delinquent were used to illustrate aging. An explanation of net and gross amounts is contained in the table footnotes. The table also contains net and gross outstanding principal amounts. See page 7.

Borrower Table 3

Table 3 presents information on the types of delinquent loans owed by delinquent borrowers. In the first row of the table, delinquent borrowers are categorized by the oldest amount delinquent as in table 2. The subsequent rows of data detail the type of delinquent loans owed by the delinquent borrowers. For example, in the delinquent period over 4 years, there are 16,093 delinquent borrowers. Reading down this column shows the types of delinquent loans owed by these 16,093 borrowers. The next number, 4,448, indicates that 4,448 of the 16,093 borrowers have at least 1 delinquent farm ownership loan. However, not all of these 4,448 loans are delinquent over 4 years. Rather the table shows the types of delinquent loans owed by the 16,093 borrowers who have at least one loan delinquent 4 years or more. See page 8.

Loan Table 4

Loan tables 4 and 5 present data accumulated by individual loan types rather than borrowers. Because individual borrowers can have more than one type of loan, the number of borrowers, delinquent amounts, and principal amounts are not the same as shown in tables 1 through 3 as explained in the data limitations section of this enclosure. Loan table 4 presents data on borrowers, principal amounts, and delinquent amounts by loan type. For example, for the first data column the table indicates that 124,963 borrowers have farm ownership loans and 28,840 of those borrowers are delinquent. Principal and delinquent amounts for farm ownership loans are also displayed in the column. See page 9.

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Loan Table 5

For loan table 5, delinquent borrower loans are aged into five categories. This table presents data for each loan type by age category. The table provides further detail on borrowers and amounts delinquent contained in table 4. For example, the third data row shows that a total of 26,956 borrowers have delinquent economic emergency loans and 7,607 of those borrowers are delinquent less than 1 year with amounts totaling $74.9 million. See page 10.

Data Limitations

The methodology used by GAO for preparation of borrower tables 1 through 3 was different than the methodology used to prepare loan tables 4 and 5.

For the borrower tables, individual delinquent borrowers were identified and then each delinquent loan and dollar amount owed by that individual borrower was tabulated. In the loan tables, each of the five major loan types was considered separately. Data on the number of delinquent borrowers and dollar amounts was tabulated for each type of loan. As a result of using these different methodologies, the number of borrowers and related dollar amounts shown for the same line item differ between the two types of tables, even though all data was extracted from the same FmHA Master Borrower File data base.

For example, table 3 shows that there were 94,035 delinquent FmHA borrowers as of June 30, 1984; whereas, table 4 shows that there were 153,787 delinquent FmHA borrowers as of the same date. The difference exists because table 4 was tabulated by loan type and therefore each borrower that had more than one type of FmHA loan which was delinquent would be counted more than once in the 153,787 total.

The net amount of delinquent dollars also differs between the two table types. Table 2 shows that as of June 30, 1984, the total net amount delinquent on the five major FmHA loan types was $5,371.0 million. Table 4 shows $5,406.5 million delinquent for the same line item as of the same date. This difference occurs because in table 2, which was tabulated by individual borrowers, all payments made ahead of schedule by a borrower are applied against the delinquent amount owed by that borrower. Therefore, if a borrower was delinquent on an FmHA operating loan but ahead of schedule in payments on a farm ownership loan, the payments made ahead of schedule would be applied against the delinquent operating loan amount. As a result, the net amount delinquent in the loan tables is higher than the amount shown in the borrower tables because in the loan tables all loan payments made ahead of schedule are not applied against delinquent amounts.

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Borrower Table 1[a]

Delinquent Borrowers Categorized by Amount Delinquent as a Percent of Unpaid Principal June 30, 1984 Payments Credited as of July 20, 1984

Percentage category[b]	Number of delinquent borrowers	Percent of delinquent borrowers in category	Net amount delinquent[c] (millions)	Percent of net amount delinquent in category	Net unpaid outstanding principal[c] (millions)	Percent of net unpaid outstanding principal in categories
0-10	29,453	31.3	$2,227.8	41.5	$ 6,847.4	48.6
11-20	18,874	20.1	1,088.3	20.3	3,256.7	23.1
21-30	12,342	13.1	676.4	12.6	1,734.2	12.3
31-40	7,937	8.4	414.1	7.7	886.0	6.3
41-50	5,178	5.5	246.6	4.6	462.4	3.3
51-60	3,893	4.1	165.6	3.1	279.5	1.9
61-70	2,827	3.0	118.7	2.2	178.3	1.3
71-80	2,259	2.4	93.9	1.8	122.8	.9
81-90	1,767	1.9	70.6	1.3	82.4	.6
91-100	2,222	2.4	61.5	1.2	63.0	.5
Over 100	7,283	7.7	207.4	3.9	167.4	1.2
Total	94,035	99.9[c]	$5,370.9[e]	100.2[d]	$14,080.1	100.0

[a]Table presents delinquent borrower and loan data for only farm ownership, operating, economic emergency, emergency disaster, and soil and water loans. Delinquent borrowers identified from 267,252 total borrowers.

[b]Net amount delinquent as a percent of net unpaid outstanding principal.

[c]Amounts are net of loan payments made ahead of scheduled payment date.

[d]Does not total to 100 because of rounding.

[e]Amount includes delinquent principal and interest.

Source: GAO computation from data tapes used to prepare FmHA Active Borrowers Delinquent Report, FmHA Report 616.

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Borrower Table 2[a]
Age of Delinquent Amounts Owed by Delinquent Borrowers
June 30, 1984
Payments Credited as of July 20, 1984

	Delinquent period in years					
	1 year or less	1-2	2-3	3-4	Over 4	Total
Number of delinquent borrowers[b]	30,419	17,706	17,846	11,971	16,093	94,035
Net amount delinquent (millions)[c]	$352.1	$553.3	$1,186.0	$1,208.6	$2,071.0	$5,371.0
Gross amount delinquent (millions)[d]						
Over 4 years					$1,009.2	$1,009.2
" 3-4 years				$ 608.3	434.1	1,042.4
" 2-3 years			$ 809.3	354.3	345.9	1,509.5
" 1-2 years		$458.9	270.7	165.1	177.8	1,072.5
1 year	$361.4	105.7	122.6	94.9	123.0	807.6
Subtotal	$361.4	$564.6	$1,202.6	$1,222.6	$2,090.0	$5,441.2
Net amount of unpaid outstanding principal (millions)	$3,350.9	$2,368.2	$2,935.7	$2,253.2	$3,172.1	$14,080.1
Gross amount of unpaid outstanding principal (millions)						
Over 4 years					$1,375.0	$1,375.0
" 3-4 years				$ 975.2	537.4	1,512.6
" 2-3 years			$ 1661.2	570.6	475.4	2,707.2
" 1-2 years		$1,511.0	551.8	283.6	280.8	2,627.2
" 1 year	$2,384.2	438.7	330.4	199.4	247.1	3,599.8
Subtotal	$2,384.2	$1,949.7	$2,543.4	$2,028.8	$2,915.7	$11,821.8

[a]Table presents delinquent borrower and loan data for only farm ownership, operating, economic emergency, emergency disaster, and soil and water loans. Delinquent borrowers identified from 267,252 total borrowers.

[b]Delinquent borrowers were categorized by their oldest delinquent loan in yearly periods.

[c]Amounts are net of loan payments made ahead of scheduled payment date.

[d]Amounts do not reflect deduction of loan payments made ahead of scheduled payment date.

Source: GAO computation from data tapes used to prepare FmHA Active Borrowers Delinquent Report, FmHA Report 616.

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Borrower Table 3[a]

Delinquent Borrowers and Type of Delinquent Loans Owed
June 30, 1984
Payments Credited as of July 20, 1984

	Delinquent period in years					
	1 year or less	1-2	2-3	3-4	Over 4	Total
Number delinquent borrowers[b]	30,419	17,706	17,846	11,971	16,093	94,035
Type of delinquent loans owed by delinquent borrowers[c]						
Farm ownership	9,870	5,643	4,966	3,178	4,448	28,105
Operating	11,742	7,057	7,504	5,303	8,701	40,407
Economic emergency	5,936	4,301	5,180	5,189	6,083	26,689
Emergency disaster	12,751	9,987	11,886	7,694	9,949	52,267
Soil and water	1,167	926	973	743	908	4,717

[a]Table presents delinquent borrower and loan data for only farm ownership, operating, economic emergency, emergency disaster, and soil and water loans. Delinquent borrowers identified from 267,254 total borrowers.

[b]Delinquent borrowers were categorized by their oldest delinquent loan in yearly periods.

[c]Loan data provides type of delinquent loans owed by age categories of delinquent borrowers. Age categories apply only to the oldest delinquent loan of a borrower; therefore some of the loans shown under a delinquent borrowers age category may be less delinquent than that age category.

Source: GAO computation from data tapes used to prepare FmHA Active Borrowers Delinquent Report, FmHA Report 616.

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Loan Table 4

Major Farmer Program Loans and Delinquency Status
June 30, 1984
Payments Credited as of July 20, 1984

	Type of loan					
	Farm ownership	Operating	Economic emergency	Emergency disaster	Soil and water	Total
Number of borrowers by individual loan types[a]	124,963	111,714	57,193	125,121	16,788	435,779
Total unpaid outstanding principal (millions)[b]	$6,697.5	$4,124.3	$4,288.8	$10,039.3	$295.9	$25,445.8
Number of delinquent borrowers	28,840	40,495	26,956	52,695	4,801	153,787
Delinquent borrowers as a percent of total borrowers	23.08	36.25	47.13	42.12	28.60	35.29
Delinquent borrowers unpaid outstanding principal (millions)[b]	$1,986.4	$1,559.7	$2,484.2	$6,932.1	$119.0	$13,081.4
Delinquent borrowers unpaid outstanding principal as a percent of total unpaid outstanding principal	29.66	37.82	57.92	69.05	40.22	51.41
Amount delinquent (millions)[b]	$302.1	$765.9	$902.4	$3,406.5	$29.6	$5,406.5
Amount delinquent as a percent of delinquent borrowers unpaid outstanding principal	15.21	49.11	36.33	49.14	24.87	41.33

[a]Borrowers with more than one loan in a type of loan category are counted only once in that category.

[b]Amounts are net of loan payments made ahead of scheduled payment date.

Source: GAO computation from data tapes used to prepare FmHA Active Borrowers Delinquent Report, FmHA Report 616.

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Loan Table 5

Age of Delinquent Loans
June 30, 1984
Payments Credited as of July 20, 1984

Loan type	Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of Borrowers	Amount Delinquent (millions)	Number of Borrowers	Amount Delinquent (millions)	Number of Borrowers	Amount Delinquent (millions)	Number of Borrowers	Amount Delinquent (millions)	Number of Borrowers	Amount Delinquent (millions)	Number of Borrowers	Amount Delinquent (millions)
Farm ownership	13,019	$ 54.8	6,532	$ 62.1	4,589	$ 69.9	2,182	$ 43.6	2,518	$ 71.7	28,840	$ 302.1
Operating	17,828	207.6	8,171	170.4	5,181	135.5	3,293	94.9	6,022	157.5	40,495	765.9
Economic emergency	7,607	74.9	4,491	99.8	5,220	202.1	5,090	247.4	4,548	278.1	26,956	902.3
Emergency disaster	14,785	145.4	11,073	336.8	13,482	905.9	6,361	766.2	6,994	1,252.2	52,695	3,406.5
Soil and water	1,895	3.6	1,162	6.0	925	8.2	483	6.6	336	5.2	4,801	29.6
Totals	55,134	$486.3	31,429	$675.1	29,397	$1,321.6	17,409	$1,158.7	20,418	$1,764.7	153,787	$5,406.4

Source: GAO computation from data tapes used to prepare FmHA Active Borrowers Delinquent Report, FmHA Report 616.

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ENCLOSURE II

HISTORICAL FmHA DATA ON DELINQUENT BORROWERS

The following 10 tables and 12 graphs provide historical FmHA data (June 30, 1975, through June 30, 1984) on delinquent FmHA borrowers for the five major FmHA farmer loan programs including farm ownership, operating, economic emergency, emergency disaster, and soil and water.

Tables 6 through 15 present data on delinquent borrower loans by type of loans and the loans are aged in five categories. These tables provide this data for each year 1975 through 1984. For example, loan table 6 shows that as of June 30, 1984, there were 2,489 borrowers with farm ownership loans that were delinquent over 4 years; whereas, table 11 shows that as of June 30, 1979, there were 755 borrowers with farm ownership loans that were delinquent over 4 years.

Graph 1 shows total dollars delinquent for the five major farmer loan programs for a 10 year period. Graphs 2 through 6 provide data on total delinquent dollars and that portion of the total amount that has been delinquent over 4 years by individual loan program. Graph 7 is a 10 year trend line of total loan amounts delinquent over 4 years for all five major farmer loan programs. Graphs 8 through 12 present data on the total dollar amounts delinquent over 4 years by individual farmer loan programs.

Data limitations

Data for the tables and graphs was obtained directly from FmHA Report 616 on active delinquent borrowers. Again it should be noted that table 5 from enclosure I which was prepared by GAO differs from table 6 of enclosure II which was taken directly from FmHA Report 616. Each table presents the same information and both GAO and FmHA used the same data tapes (FmHA's Master Borrower File as of June 30, 1984) to develop the tabulations. FmHA was not able to provide specific reasons for the number differences other than variances in programming and format methodology. In any event the differences are minor.

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Table 6

Age of Delinquent Loans
June 30, 1984
Payments Credited as of July 20, 1984

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)
Farm ownership	12,921	$ 54.7	6,477	$ 62.1	4,555	$ 69.8	2,168	$ 43.7	2,489	$ 71.6	28,610	$ 301.8
Operating	19,121	234.3	8,772	175.7	5,306	133.5	3,354	92.0	5,788	147.4	42,341	783.0
Economic emergency	8,214	80.7	4,671	100.8	5,510	206.0	5,228	247.1	4,564	266.4	28,187	901.0
Emergency disaster	14,789	144.8	11,068	336.7	13,474	904.1	6,354	765.7	6,977	1,222.9	52,662	3,374.2
Soil and Water	1,899	3.6	1,163	6.0	926	8.2	484	6.6	336	5.2	4,808	29.5
Totals	56,944	$518.1	32,151	$681.3	29,771	$1,321.6	17,588	$1,155.1	20,154	$1,713.5	156,608	$5,389.5

Source: USDA, FmHA, Finance Office Report 616

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Table 7

Age of Delinquent Loans
Jun 30, 1983
Payments Credited as of July 18, 1983

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)
Farm ownership	12,768	$ 51.1	5,862	$ 52.1	3,242	$ 45.4	1,403	$ 25.9	1,599	$ 43.2	24,874	$ 217.7
Operating	16,873	157.7	7,877	124.5	4,363	92.6	2,207	50.3	4,442	93.6	35,762	518.6
Economic emergency	8,215	82.4	7,497	188.8	6,452	224.5	5,235	244.2	296	15.6	27,695	755.4
Emergency disaster	19,592	268.2	16,954	728.9	7,614	646.8	4,155	522.5	3,398	443.6	51,713	2,610.1
Soil and Water	2,166	4.8	1,158	6.4	663	6.1	265	3.3	155	2.5	4,407	23.1
Totals	55,614	$564.2	39,348	$1,100.7	22,334	$1,015.4	13,265	$ 846.2	9,890	$ 598.5	144,451	$4,124.9

Source: USDA, FmHA, Finance Office Report 616

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ENCLOSURE II

Table 8

Age of Delinquent Loans
June 30, 1982
Payments Credited as of July 16, 1982

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)
Farm ownership	11,198	$ 40.2	3,743	$ 27.8	2,156	$ 25.2	723	$ 11.8	1,189	$ 31.9	19,009	$ 136.9
Operating	14,166	105.3	6,187	91.5	2,877	53.4	1,923	33.8	3,723	78.9	28,876	362.9
Economic emergency	3,711	64.2	7,826	156.6	10,918	298.3	1,161	33.3	4	.3	23,620	552.9
Emergency disaster	19,432	353.4	7,396	332.0	7,378	469.0	5,905	429.6	3,239	277.2	43,350	1,861.2
Soil and Water	2,054	5.0	736	3.9	378	3.0	100	0.8	82	1.2	3,350	13.9
Totals	50,561	$568.1	25,888	$611.8	23,707	$848.9	9,812	$509.3	8,237	$389.5	118,205	$2,927.8

Source: USDA, FmHA, Finance Office Report 616

ENCLOSURE II

ENCLOSURE II

Table 9

Age of Delinquent Loans
June 30, 1981
Payments Credited as of July 18, 1981

	Number of years delinquent											
	Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent
		(millions)		(millions)		(millions)		(millions)		(millions)		(millions)
Loan type												
Farm ownership	8,970	$ 24.9	2,596	$ 16.1	1,118	$ 10.3	480	$ 6.3	961	$ 21.5	14,125	$ 79.0
Operating	12,280	95.4	4,485	58.4	2,546	35.9	1,501	25.0	3,423	66.9	24,235	282.7
Economic emergency	5,436	73.9	8,702	188.0	880	20.5	—	—	5	.3	15,[illegible]	[illegible].8
Emergency disaster	10,974	209.3	7,165	256.7	5,400	258.4	2,115	136.4	1,155	75.9	26,809	936.[illegible]
Soil and Water	1,626	3.1	433	1.9	162	0.9	68	0.5	47	0.4	2,336	[illegible]
Totals	39,286	$406.6	23,381	$521.1	10,106	$327.0	4,164	$168.2	5,591	$ 165.0	82,528	$1,587.9

Source: USDA, FmHA, Finance Office Report 516

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Table 10

Age of Delinquent Loans
June 30, 1980
Payments Credited as of July 16, 1980

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)
Farm ownership	6,893	$ 16.5	1,640	$ 7.7	755	$ 5.7	463	$ 4.4	807	$16.9	10,558	$ 51.3
Operating	9,879	64.7	4,032	42.3	2,131	29.3	1,577	25.6	2,918	50.5	20,537	212.4
Economic emergency	5,997	76.8	722	12.3	—	—	—	—	—	—	6,719	89.1
Emergency disaster	11,254	159.6	5,294	144.6	2,322	96.7	682	39.2	649	27.1	20,201	467.2
Soil and Water	1,138	1.8	241	0.7	91	0.4	37	0.3	22	0.1	1,529	3.2
Totals	35,161	$319.4	11,929	$207.6	5,299	$132.1	2,759	$69.5	4,396	$94.6	59,544	$823.2

Source: USDA, FmHA, Finance Office Report 616

ENCLOSURE II

Table 11

Age of Delinquent Loans
June 30, 1979
Payments Credited as of July 17, 1979

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)
Farm ownership	4,758	$ 8.9	1,562	$ 6.4	764	$ 4.8	449	$ 4.0	755	$14.9	8,288	$ 39.0
Operating	8,102	42.1	3,217	30.0	2,070	28.0	1,565	22.3	2,283	34.7	17,237	157.1
Economic emergency	—	—	—	—	—	—	—	—	—	—	—	—
Emergency disaster	8,323	89.0	2,798	72.3	935	32.7	562	18.4	321	6.8	12,939	219.2
Soil and Water	745	0.9	186	0.7	67	0.3	18	0.1	31	0.1	1,047	2.0
Totals	21,928	$140.9	7,763	$109.4	3,836	$65.8	2,594	$44.8	3,390	$56.5	39,511	$417.3

Source: USDA, FmHA, Finance Office Report 616

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Table 12

Age of Delinquent Loans
June 30, 1978
Payments Credited as of July 19, 1978

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent
		(millions)		(millions)		(millions)		(millions)		(millions)		(millions)
Farm ownership	5,215	$ 8.7	1,706	$ 6.5	837	$ 5.0	562	$ 5.1	704	$11.6	9,024	$ 37.0
Operating	7,612	34.1	3,536	32.0	2,257	25.8	1,855	26.0	1,646	19.3	16,906	137.2
Economic emergency	—	—	—	—	—	—	—	—	—	—	—	—
Emergency disaster	7,842	51.7	1,492	34.6	811	18.6	85	1.6	349	6.2	10,579	112.8
Soil and Water	669	0.7	134	0.2	45	0.2	38	0.1	32	0.1	918	1.3
Totals	21,338	$95.2	6,868	$73.3	3,950	$49.6	2,540	$32.8	2,731	$37.2	37,427	$288.3

Source: USDA, FmHA, Finance Office Report 616

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Table 13

Age of Delinquent Loans
June 30, 1977
Payments Credited as of July 16, 1977

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent	Number of borrowers	Amount delinquent
		(millions)		(millions)		(millions)		(millions)		(millions)		(millions)
Farm ownership	4,920	$ 7.8	1,846	$ 6.4	1,095	$ 6.4	363	$ 3.2	754	$ 8.3	8,978	$ 32.2
Operating	8,437	33.9	4,156	31.7	2,727	30.4	1,025	11.6	1,546	14.5	17,891	122.1
Economic emergency	—	—	—	—	—	—	—	—	—	—	—	—
Emergency disaster	3,914	29.8	1,406	18.6	130	1.6	173	3.8	372	4.5	5,995	58.3
Soil and Water	427	0.3	79	0.1	60	0.1	14	—	36	0.1	616	0.7
Totals	17,698	$71.8	7,487	$56.8	4,012	$38.5	1,575	$18.6	2,708	$27.4	33,480	$213.3

Source: USDA, FmHA, Finance Office Report 616

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Table 14

Age of Delinquent Loans
June 30, 1976
Payments Credited as of July 16, 1976

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)
Farm ownership	5,152	$ 7.1	2,193	$ 6.9	612	$ 3.5	392	$ 2.6	768	$ 8.3	9,117	$ 28.3
Operating	9,664	33.3	4,954	36.0	1,029	9.2	1,048	9.5	1,712	14.7	18,407	102.6
Economic emergency	—	—	—	—	—	—	—	—	—	—	—	—
Emergency disaster	3,696	20.7	294	2.4	250	3.7	198	2.0	341	3.8	4,779	32.6
Soil and Water	296	0.2	128	0.1	26	0.1	13	0.1	31	0.2	494	0.6
Totals	18,808	$61.3	7,569	$45.4	1,917	$16.5	1,651	$14.2	2,852	$27.0	32,797	$164.1

Source: USDA, FmHA, Finance Office Report 616

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Table 15

Age of Delinquent Loans
June 30, 1975
Payments Credited as of June 30, 1975

Loan type	Number of years delinquent: Less than 1 year		1-2		2-3		3-4		Over 4		Total for all years	
	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent (millions)	Number of borrowers	Amount delinquent
Farm ownership	5,872	$ 7.5	450	$ 1.3	228	$1.3	699	$1.6	1,700	$12.3	8,949	$ 24.1
Operating	11,651	38.5	1,816	10.8	512	3.6	374	2.4	2,734	21.6	17,087	76.8
Economic emergency	—	—	—	—	—	—	—	—	—	—	—	—
Emergency disaster	1,012	4.7	364	2.1	205	1.5	80	0.6	469	4.8	2,130	13.8
Soil and Water	409	0.2	17	—	9	--	24	0.1	78	0.3	537	0.6
Totals	18,944	$50.9	2,647	$14.2	954	$6.4	1,177	$4.7	4,981	$39.0	28,703	$115.3

Source: USDA, FmHA, Finance Office Report 616

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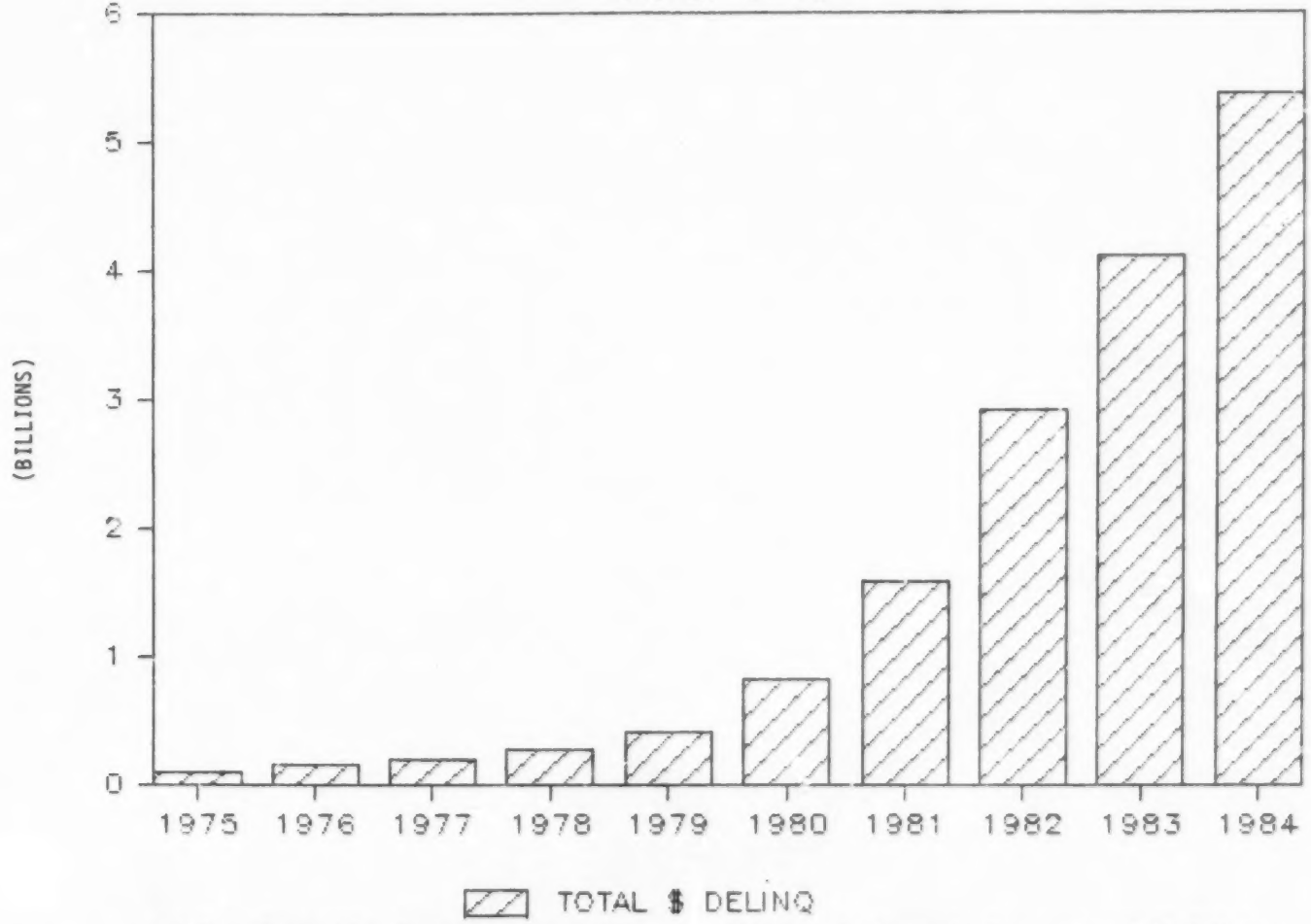
GRAPH 1

TOTAL $ DELINQ: FO,OL,EM,EE,SW LOANS[a/]

AS OF 6-30



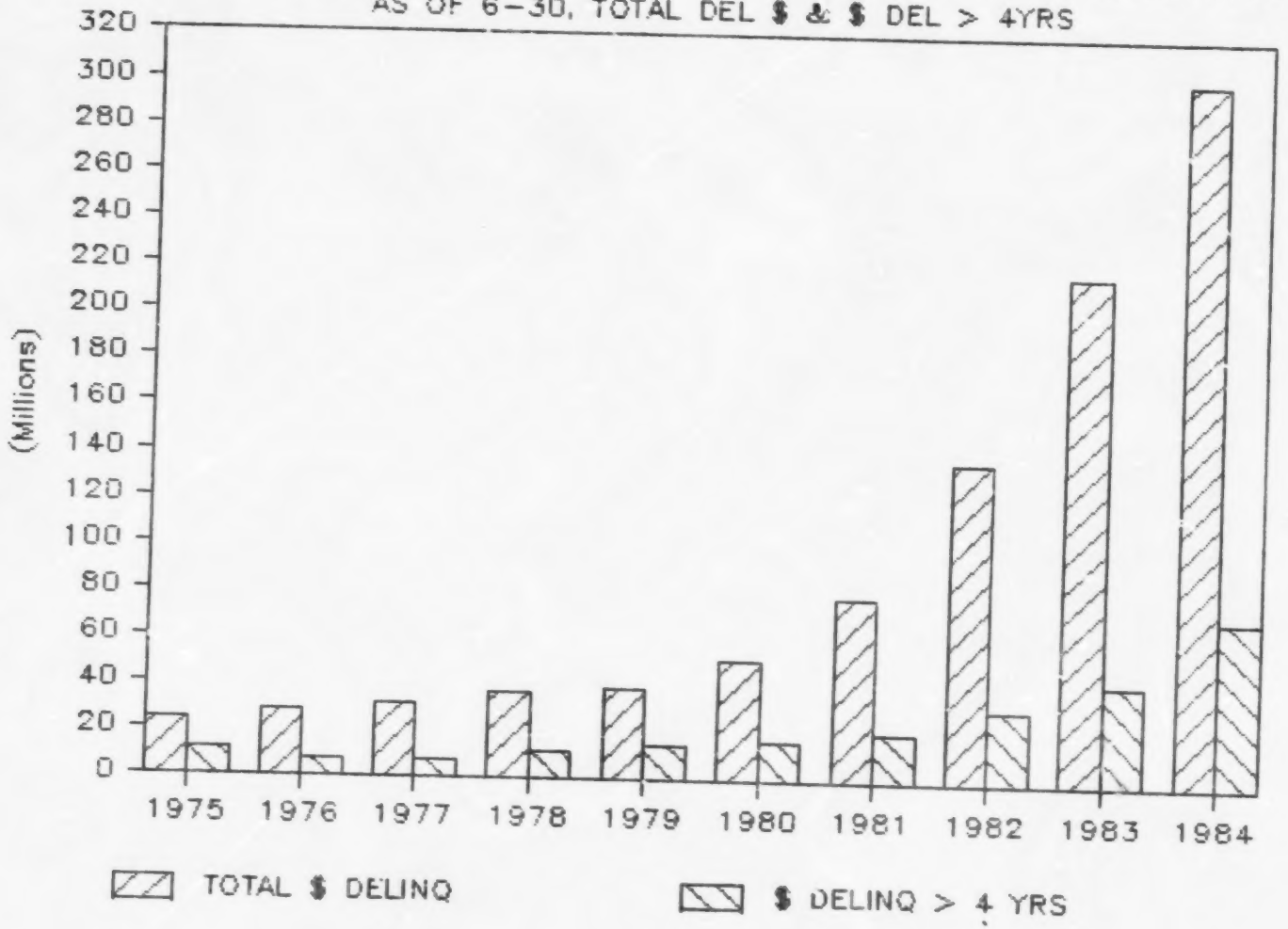
a/ Farm Ownership, Operating Loan, Emergency (Disaster), Economic Emergency, Soil & Water Loan Programs under the Farmers Home Administration

ENCLOSURE II

GRAPH 2

$ DELINQ: FARM OWNERSHIP LOANS

AS OF 6-30, TOTAL DEL $ & $ DEL > 4YRS



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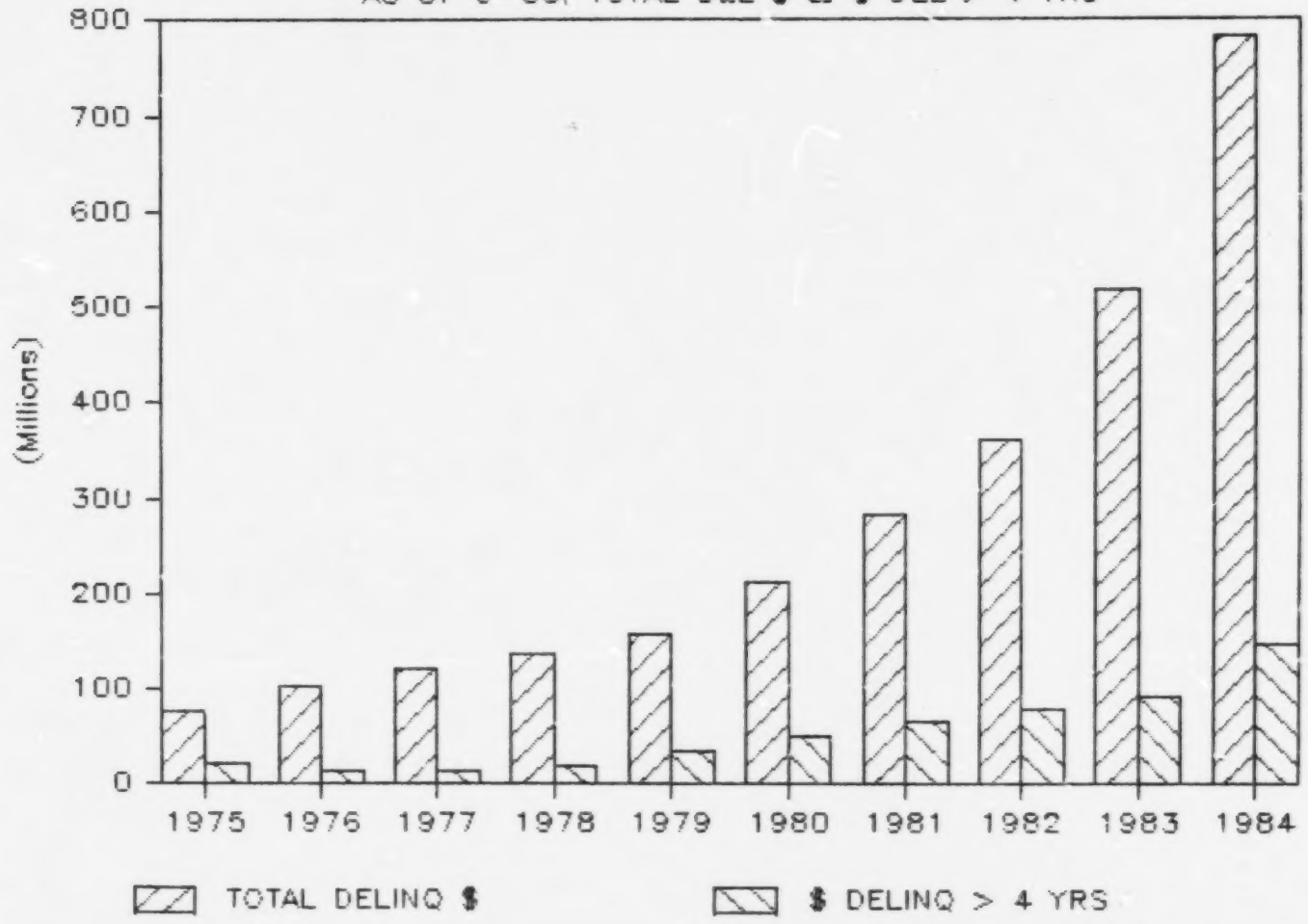
GRAPH 3

$ DELINQ: OPERATING LOANS

AS OF 6-30, TOTAL DEL $ & $ DEL > 4 YRS



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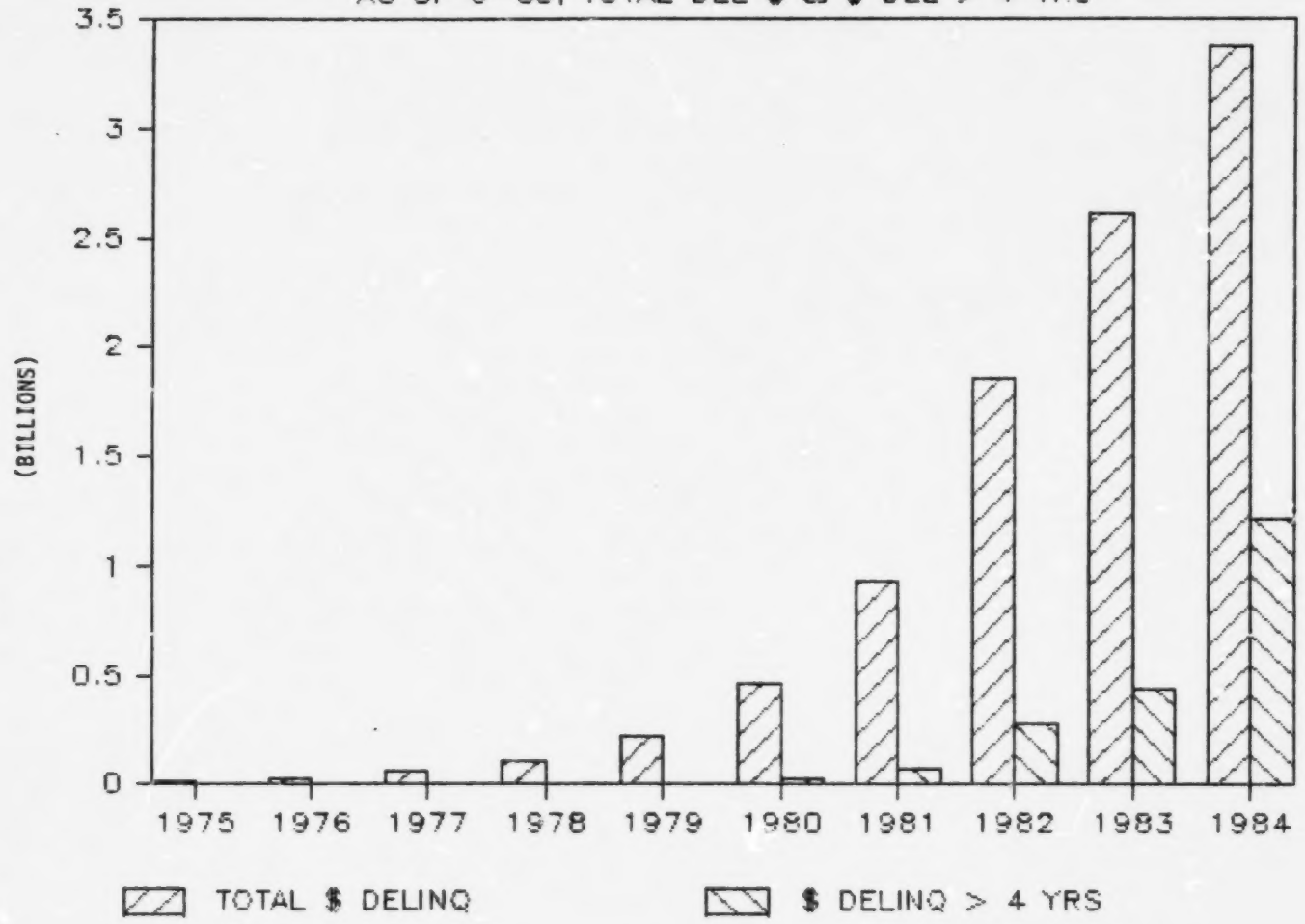
GRAPH 4

$ DELINQ: EMERGENCY(DISASTER) LOANS

AS OF 6-30, TOTAL DEL $ & $ DEL > 4 YRS



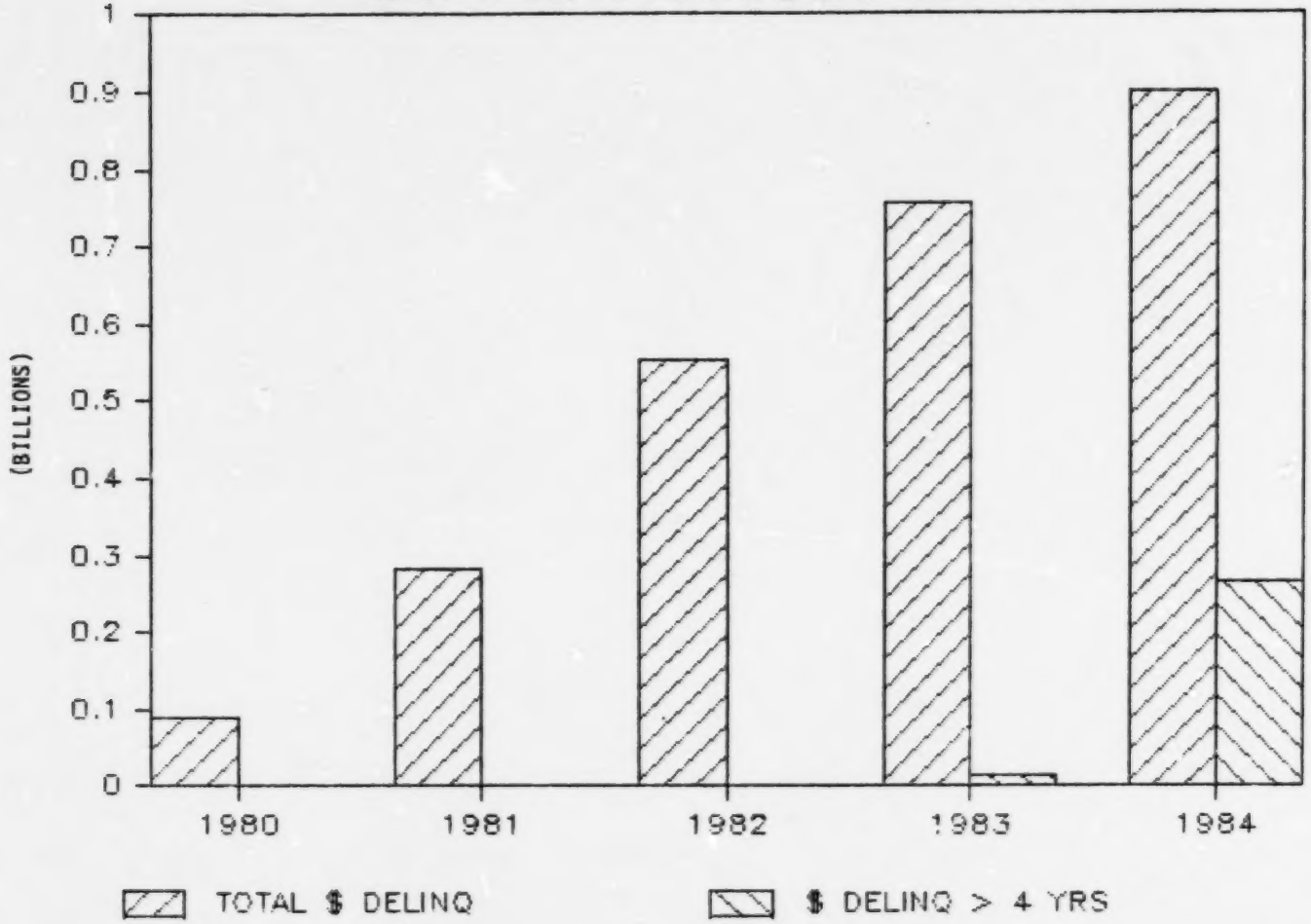
ENCLOSURE II

ENCLOSURE II

GRAPH 5

$ DELINQ: ECONOMIC EMERG LOANS

AS OF 6-30, TOTAL DEL $ & $ DEL > 4YRS



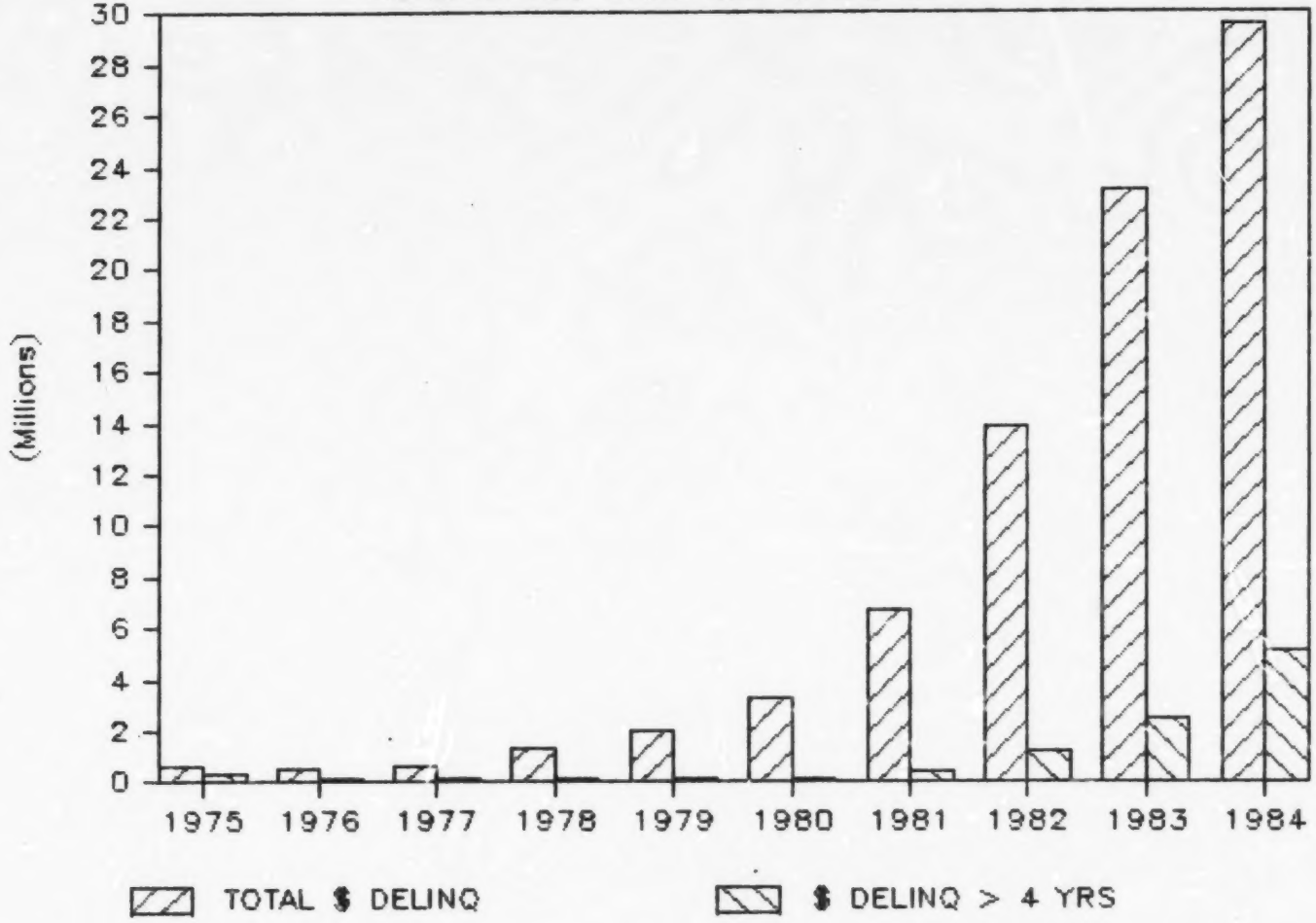
ENCLOSURE II

ENCLOSURE II

GRAPH 6

$ DELINQ: SOIL & WATER LOANS

AS OF 6-30, TOTAL DEL $ & $ DEL > 4YRS



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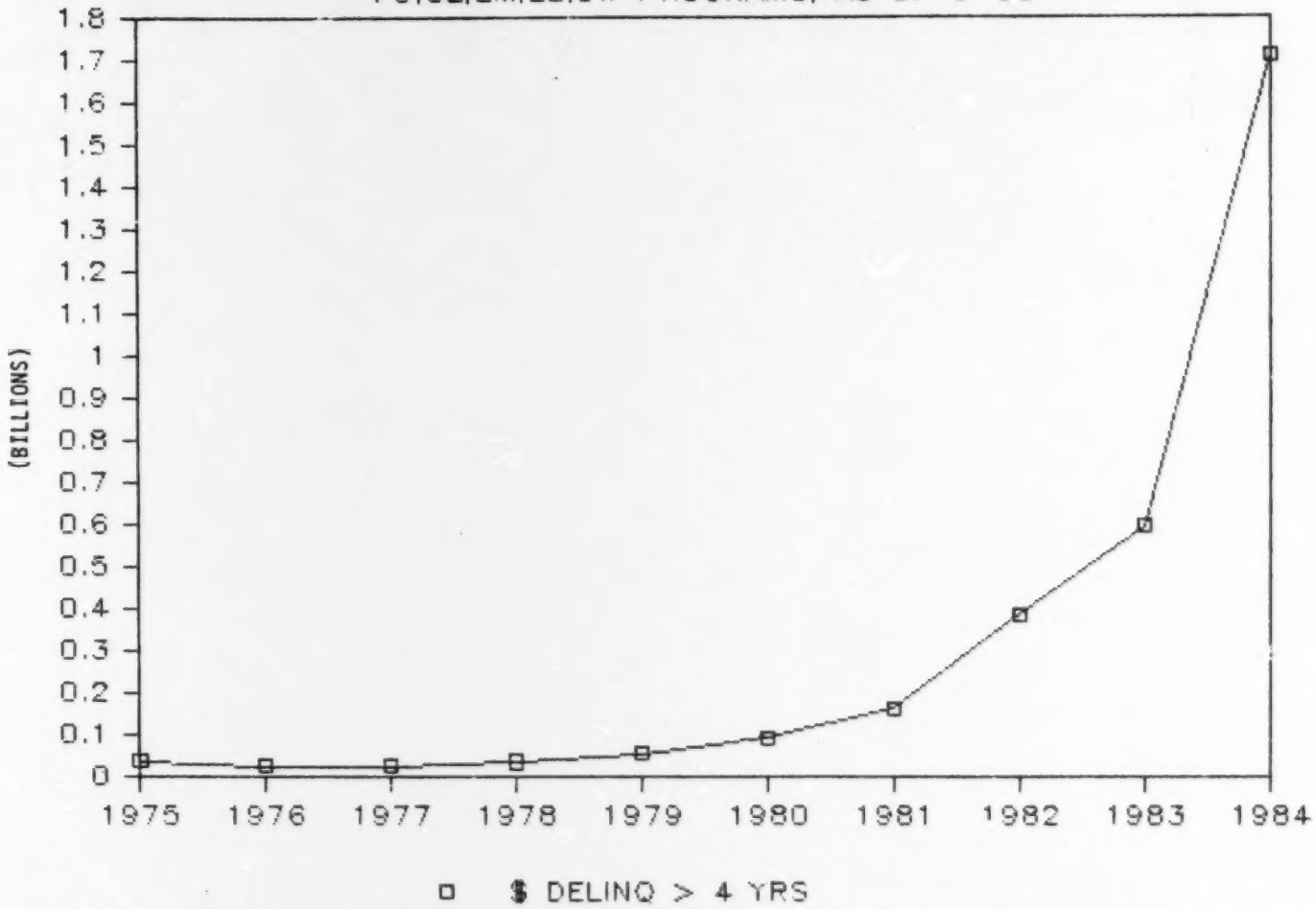
GRAPH 7

$ DELINQ OVER 4 YEARS[a/]

FO,OL,EM,EE,SW PROGRAMS, AS OF 6-30



a/ Farm Ownership, Operating Loan, Emergency (Disaster), Economic Emergency, Soil & Water Loan Programs under the Farmers Home Administration

ENCLOSURE II

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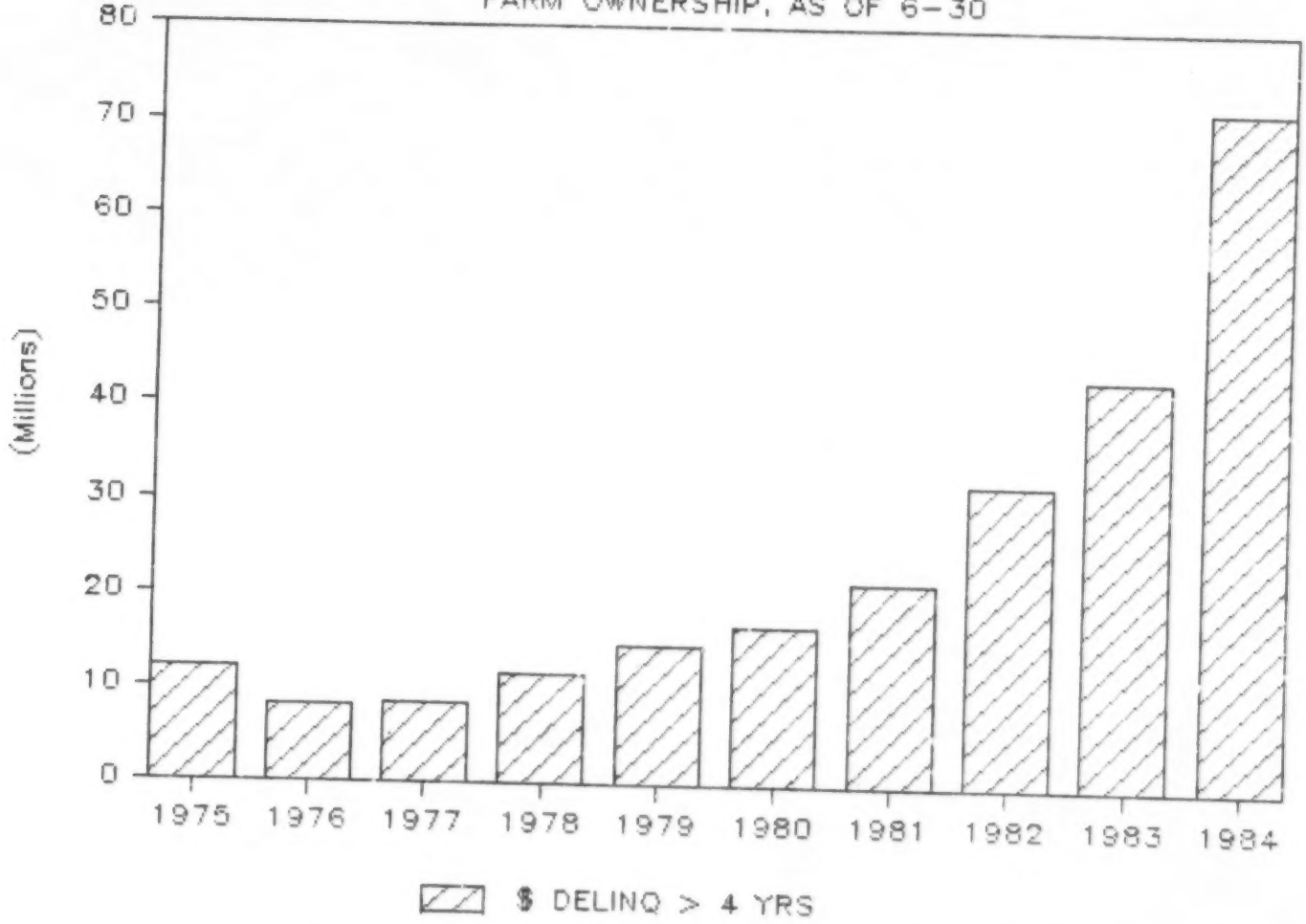
GRAPH 8

$ DELINQ > 4 YEARS

FARM OWNERSHIP, AS OF 6-30



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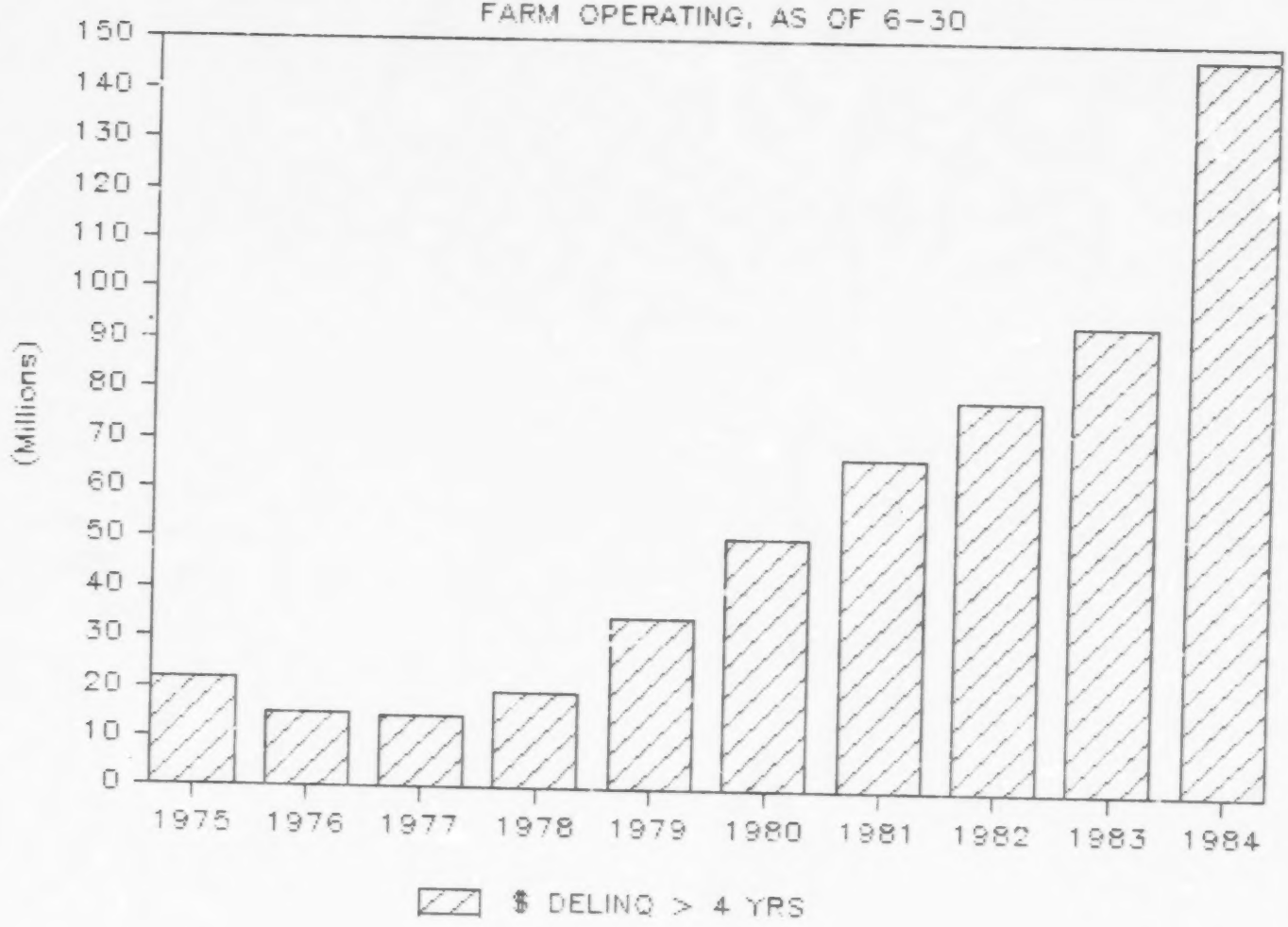
ENCLOSURE II

GRAPH 9

$ DELINQ > 4 YEARS

FARM OPERATING, AS OF 6-30



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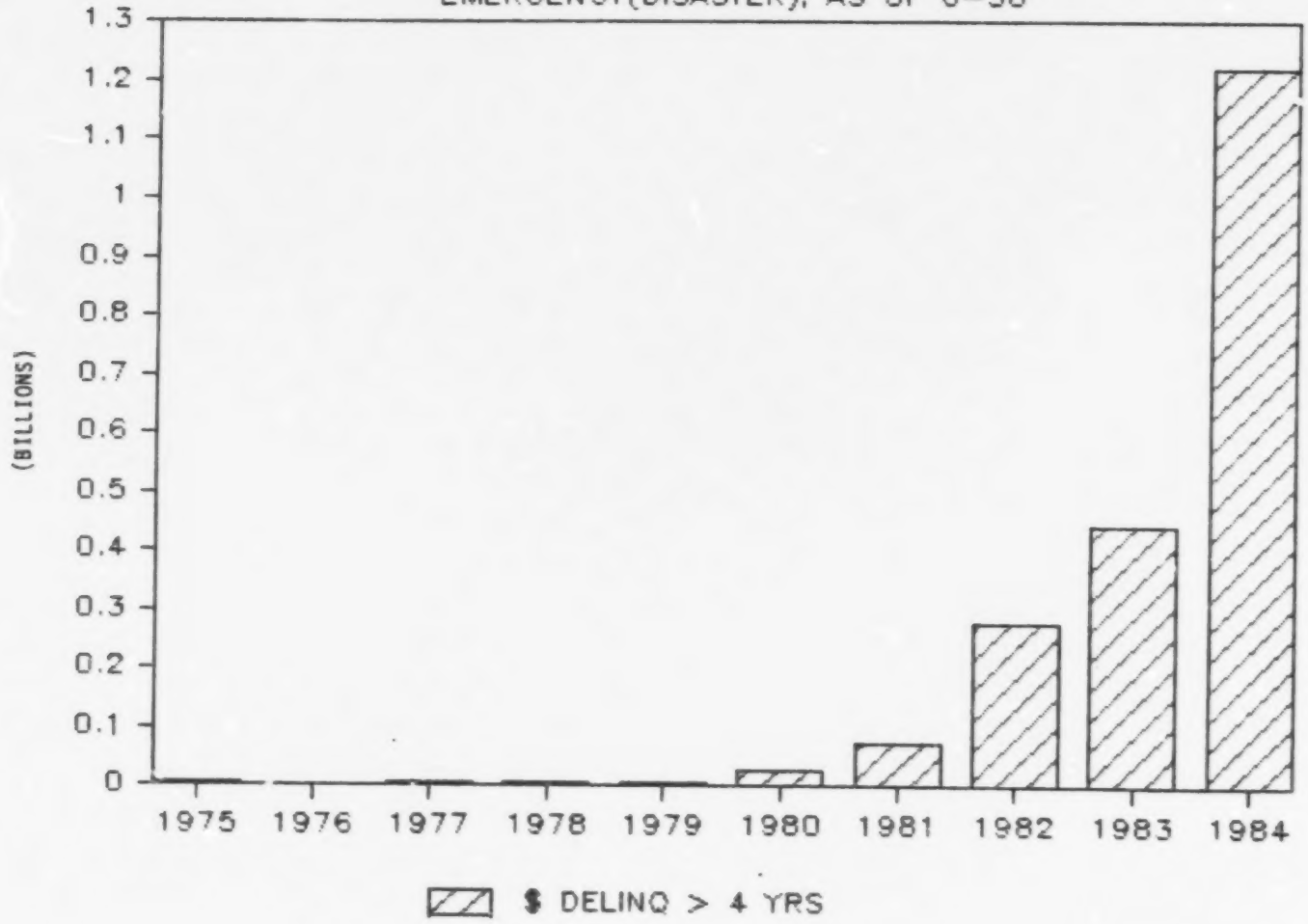
GRAPH 10

$ DELINQ > 4 YEARS

EMERGENCY(DISASTER), AS OF 6-30



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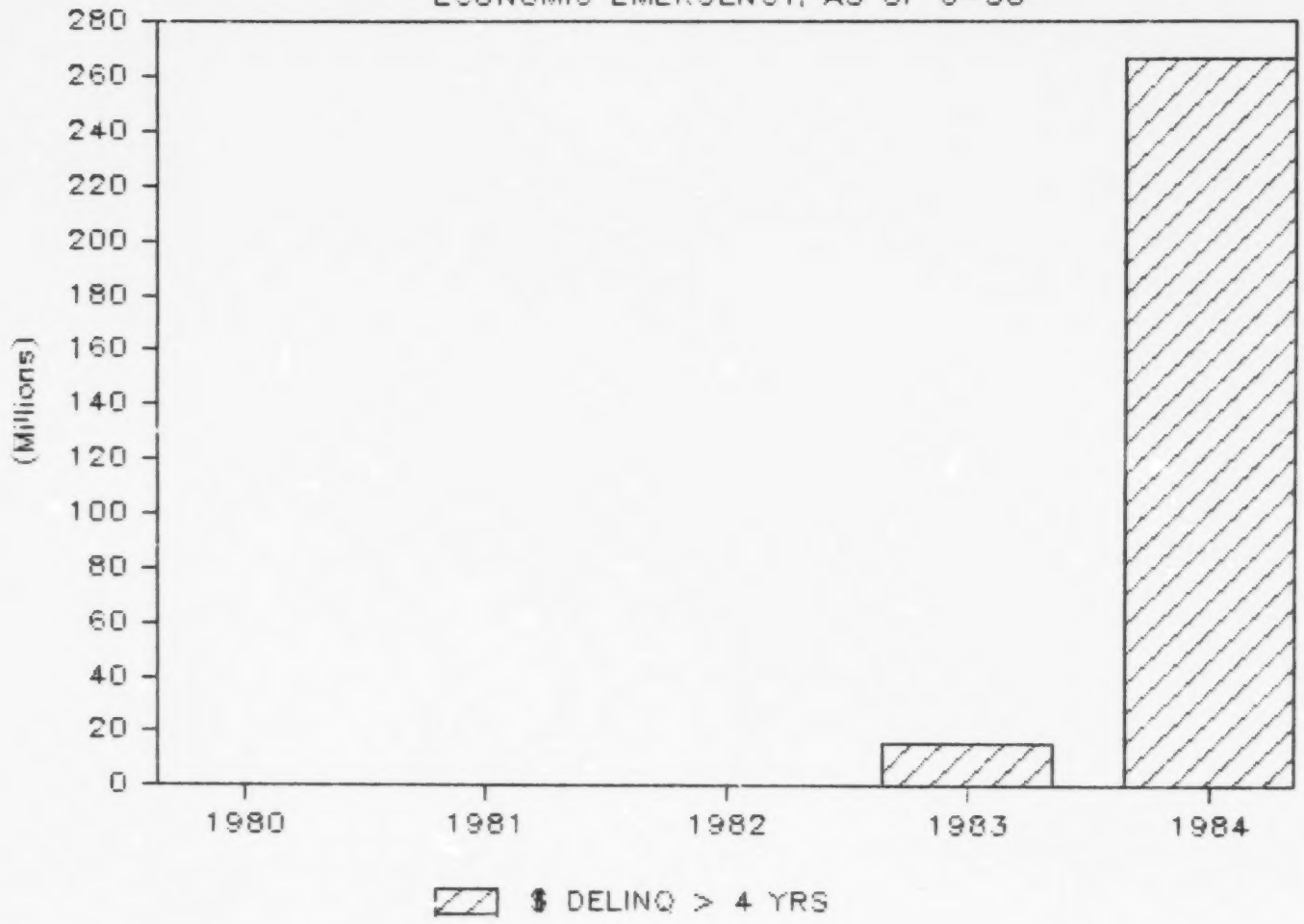
GRAPH 11

$ DELINQ > 4 YEARS

ECONOMIC EMERGENCY, AS OF 6-30



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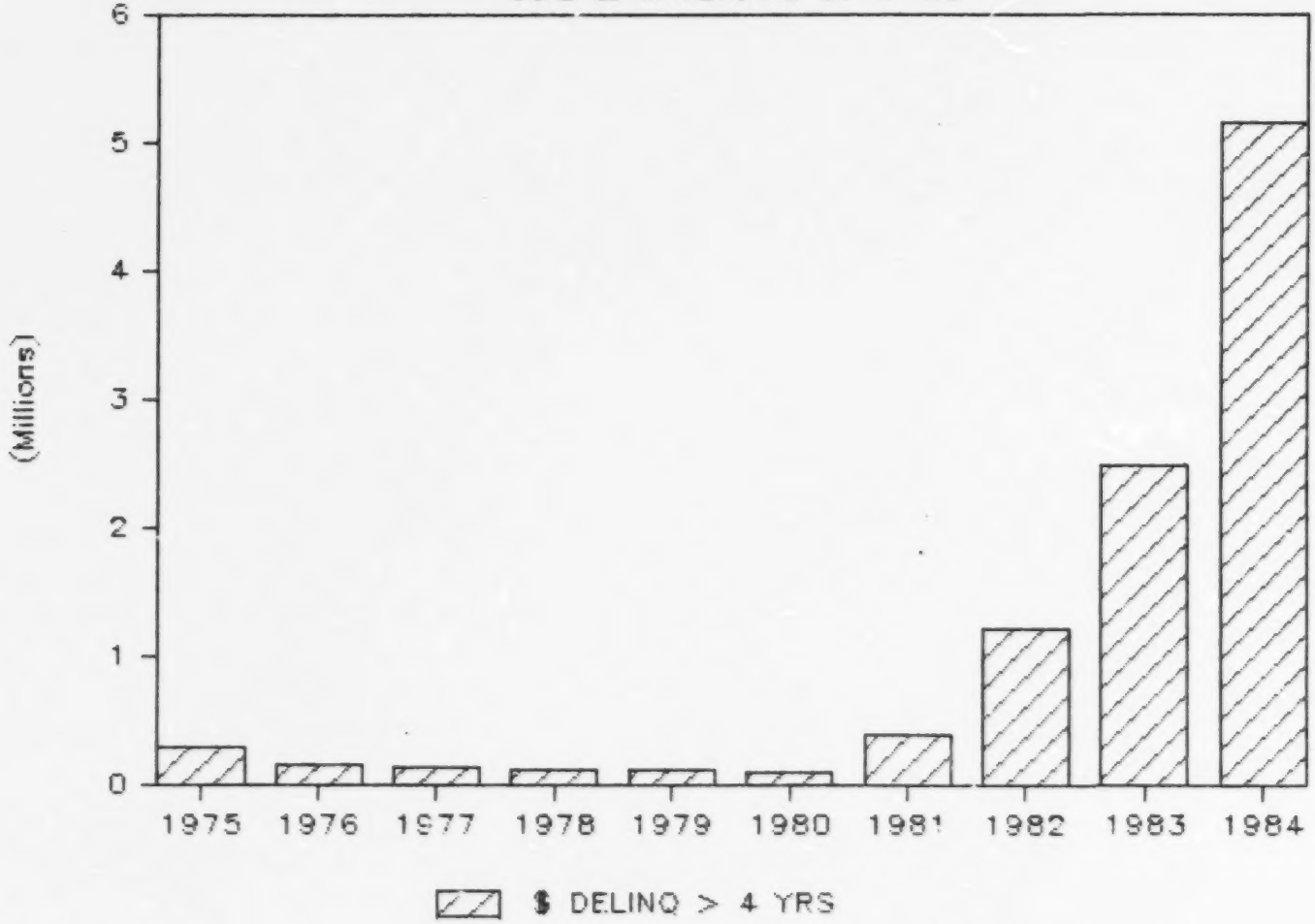
GRAPH 12

$ DELINQ > 4 YEARS

SOIL & WATER, AS OF 6-30



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ENCLOSURE III

DATA ON FmHA DELINQUENT BORROWERS AND FmHA PROPERTY ACQUISITIONS FOR FARM OWNERSHIP LOANS

The following table and graph present data on FmHA delinquent borrowers and the number of borrowers whose farm property was acquired by FmHA. Table 16 presents data on the number of FmHA borrowers with farm ownership loans that were delinquent over 4 years and the number of FmHA borrowers with farm ownership loans whose farm property was acquired by FmHA. The data is presented for a 9 year period December 31, 1975, through December 31, 1983. Data on delinquent borrowers was obtained from FmHA Report 616. Data on FmHA borrowers whose property was acquired by FmHA was obtained from FmHA Report 592.

Graph 13 is a presentation of the same information provided in table 16. The data on delinquent borrowers and borrowers whose properties were acquired by FmHA is shown as two separate trend lines because of the inability to directly correlate the information. See below.

Data limitations

The format of both FmHA Report 616 and 592 is such that a borrower, or borrower whose property was acquired by FmHA, is tabulated once for each type of loan owed. This reporting format precludes adding individual borrowers to obtain an actual total number of borrowers who are delinquent or an actual total number of borrowers whose property was acquired. If the data were totaled, multiple counting of borrowers would result because borrowers may have more than one type of loan. For example, if an FmHA borrower had a farm ownership loan and an operating loan, both of which were delinquent, FmHA Report 616 would show the same borrower as delinquent on the farm ownership loan and again as delinquent on the operating loan. Since the report does not identify individual borrowers, adding the number of borrowers who were delinquent by each loan type to obtain the total number of borrowers who were delinquent for all loans would result in the double counting of this borrower. In addition, if an FmHA borrower has one farm ownership loan and two operating loans, all of which are delinquent, FmHA Report 616 would show the borrower as delinquent on the farm ownership loan; however, the report would only count the borrower as delinquent once for both operating loans. If this borrower's property was acquired by FmHA, the borrower would again be counted once under the farm ownership loan and once under the operating loan in FmHA Report 592.

Also, the data on property acquisitions does not represent all borrowers with FmHA loans who discontinued farming, but only

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those whose property was acquired by FmHA under the farm ownership loan program (loans for real estate purchases). Data on all types of FmHA borrowers who discontinued farming due to financial distress was not collected by FmHA until 1981.

As a result of these data limitations, no valid, direct correlation or trend analysis can be done between the length of time a borrower is delinquent and FmHA acquisition of a farm property.

Table 16[a]

FmHA Delinquent Borrowers and Property Acquisitions for Farm Ownership Loans for the Year Ending December 31

Year	Number of borrowers over 4 years delinquent[b]	Number of borrowers whose property was acquired[c]
1983	2,660	1,110
1982	1,710	468
1981	1,280	126
1980	1,082	113
1979	880	92
1978	971	104
1977	874	124
1976	962	94
1975	972	74

[a]As a result of the data limitations in existing FmHA reports, and incomplete data on FmHA borrowers discontinuing farming, no valid, direct correlation or trend analysis can be done between the length of time a borrower is delinquent and the FmHA property acquisition.

[b]Data obtained from FmHA Report 616.

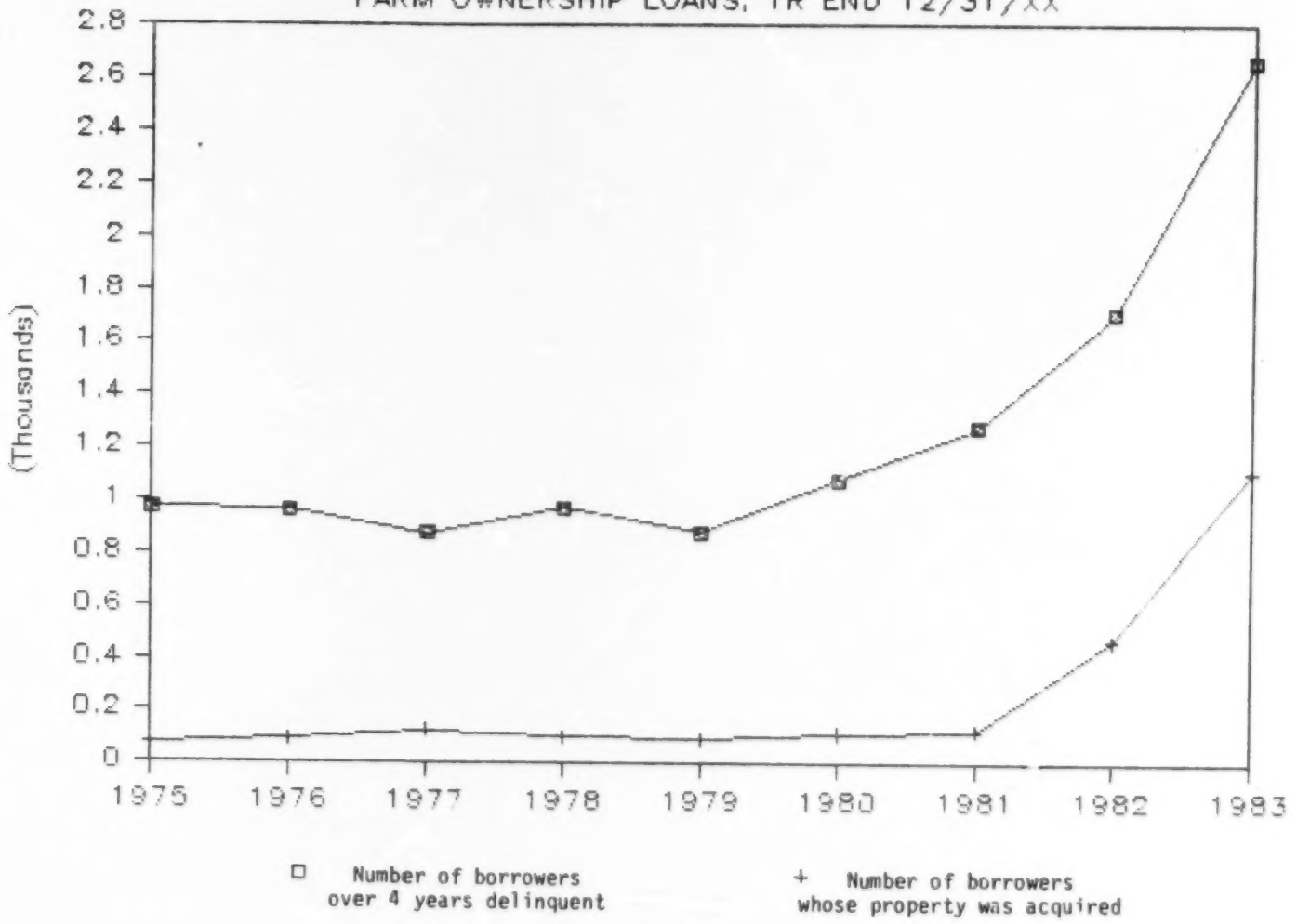
[c]Data obtained from FmHA Report 592.

ENCLOSURE III

GRAPH 13

DELINQ BORROWERS/PROPERTY ACQUISITION

FARM OWNERSHIP LOANS, YR END 12/31/XX



ENCLOSURE III